

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS TOLLEY TO INTERROGATORIES OF
THE COALITION OF RELIGIOUS PRESS ASSOCIATIONS
(CRPA/USPS-T6-1-3)

The United States Postal Service hereby provides responses of witness Tolley to the following interrogatories of the Coalition of Religious Press Associations: CRPA/USPS-T6-1-3, filed on September 11, 1997.


Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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September 25, 1997

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY
TO INTERROGATORIES OF CRPA

CRPA/USPS-T6-1. Please refer to page 88 of your testimony, lines 6ff., and to (the there-referenced) Chart E on page 89. How dependable, for current rate-setting purposes, are the data from the Preferred Rate Study which was conducted more than ten years ago?

RESPONSE:

The Preferred Rate Study gives information on nonprofit mail not available elsewhere. While conditions may have changed since the study was conducted. I don't believe that I have an adequate basis to judge its dependability for rate-making. In any event, it was not used by me in a highly refined way.

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CRPA/USPS-T6-2. Has there been any attempt by the Postal Service to obtain more recent data on the distribution and total annual volume of periodical nonprofit mail than the data summarized in Chart E? If so, please describe such attempts.

RESPONSE:

I am not familiar with any attempts by the Postal Service to obtain recent data other than The Household Diary Study. Please refer to my answer to CRPA/USPS-T6-1.

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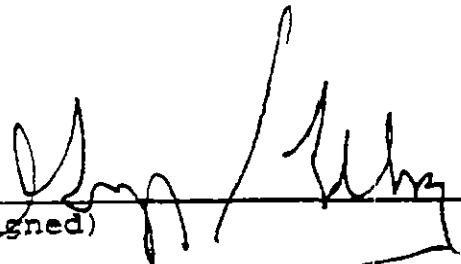
CRPA/USPS-T6-3. Please refer to your testimony on pages 92 and 101, each of which attributes mail-volume changes to "other factors." In the case of nonprofit periodical mail, you state that "other factors" - that is, factors which cannot be specifically identified - were responsible for a -10.10 percent impact on volume from 1992 to 1997. But in the case of regular-rate periodical mail, "other factors" had only a -4.27 percent impact on volume. How do you account for the much greater degree of "other factors" impact on nonprofit periodical mail than on regular-rate mail?

RESPONSE:

As stated in my testimony at page 103, lines 17ff., Postal Service volume of Periodical regular-rate mail may be positively influenced by growing demand for specialty magazines. Whether growth in specialty magazines would also buttress nonprofit mail volumes depends on the extent to which specialty magazines can be classified as nonprofit publications. A higher negative net trend value for nonprofit mail than regular-rate mail may suggest that the specialty magazine effect is more important for regular-rate than nonprofit mail.

DECLARATION

I, George Tolley, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.



(Signed)

9-25-97
(Date)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Eric P. Koetting

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